Ministry of
Forests, Lands and Natural Resource Operations

2012/13 – 2014/15
SERVICE PLAN

February 2012

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Ministry of Forests, Lands and Natural Resource Operations
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Message from the Minister and Accountability Statement

British Columbia has earned its world-renowned reputation as a place of incredible natural beauty, rich in natural resources. British Columbia is also known for its commitment to growing economic prosperity, while remaining a leader in preserving our environment for future generations.

Now entering our second year of existence, the Ministry of Forests, Lands and Natural Resource Operations plays the lead role in delivering an integrated approach to land management for the benefit of all British Columbians. As the Province's 'one land manager' we are uniquely situated to bring together all stakeholders and natural resource agencies.

Our natural resource sectors are key job creators and play a pivotal role in the successful implementation of the *BC Jobs Plan*, growing our economy and ensuring First Nation and non-First Nation communities alike can benefit from environmentally responsible management of land use opportunities and remain resilient through changing economic conditions.

Under the *BC Jobs Plan*, we have established ambitious targets for reducing application backlogs for Notices of Work for mining by 80 per cent by August 31, 2012 and reducing the backlogs in *Land Act* and *Water Act* authorizations by 50 per cent by December 31, 2012. We will be streamlining processes, while ensuring that high environmental standards are maintained and our duty to consult with First Nations is met.

As part of the *BC Jobs Plan*, we will be releasing a forest sector strategy that builds on the Forest Roundtable and will contribute to a vibrant, globally competitive forest sector that supports jobs in every part of British Columbia. We will also continue to ensure that British Columbians and visitors can continue to enjoy abundant fishing and hunting opportunities and experience our over 1,200 recreation sites and trails.

We will further support the *Citizens@the Centre: B.C. Government 2.0* strategy to use technology to change how citizens access services they expect and delivering those services efficiently. The Ministry is working collaboratively with the natural resource sector to build on government's strategic shifts to improve citizen engagement and open up sector data and information. This Ministry is key to the natural resource sector's efforts by offering geographic products and services online at GeoBC. The strategy also focuses on delivering more services online and improving our web presence so that clients can easily find everything they will need to access Crown land and its resources. Beyond these larger efforts, the Ministry is undertaking its own specific strategy to improve the effectiveness and efficiency of external stakeholder engagement activities.

Ensuring responsible resource stewardship principles are incorporated in all of the Ministry's policies, plans and initiatives is a critical part of this decision making process, and our Service Plan continues to focus on innovative, effective and efficient business delivery models.

The *Ministry of Forests, Lands and Natural Resource Operations 2012/13 – 2014/15 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which these plans were prepared. All material fiscal assumptions and policy decisions have been considered in preparing the plans and I am accountable for achieving the specific objectives in the plans.

Steve Thomson

Honourable Steve Thomson
Minister of Forests, Lands and Natural Resource Operations
February 21, 2012

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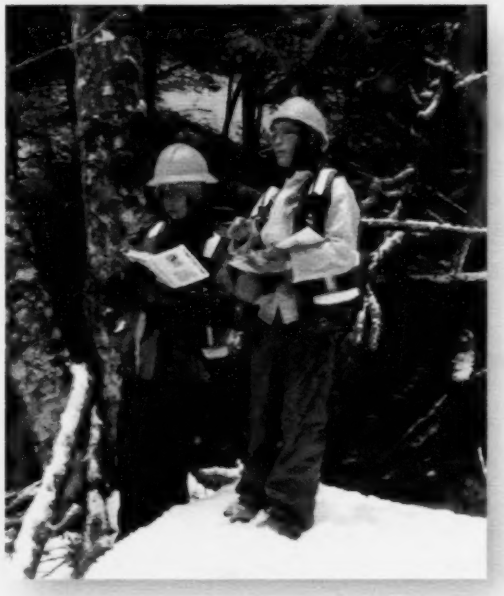
Purpose of the Ministry

The Ministry of Forests, Lands and Natural Resource Operations delivers integrated natural resource management services for British Columbians. With a long-term vision of economic prosperity and environmental sustainability, it is the main agency responsible for establishing the policy and conditions for access to and use of the province's forest, land and natural resources. The Ministry incorporates policy with operational resource management, aligning and streamlining operations in delivering services to enable effective stewardship and sustainable management of B.C.'s land base for a variety of uses.



Working with all stakeholders, the Ministry develops policies, programs and legislation to promote industry competitiveness, and encourage investment in and development of natural resources. It also ensures that ministry activities support sustainable development and protect the public's interest in these resources. Bringing provincial natural resource operations together into one ministry enables durable decisions that fully consider the environmental, social and economic factors of land use.

Through BC Timber Sales, the Ministry auctions Crown timber to support the timber pricing system. This includes preparing forest stewardship plans and logging plans; developing timber sale licences, constructing and maintaining logging roads and bridges; undertaking silviculture and forest protection treatments and ensuring the work is carried out in a safe manner.

Aligning and Streamlining Resource Authorizations with Resource Management

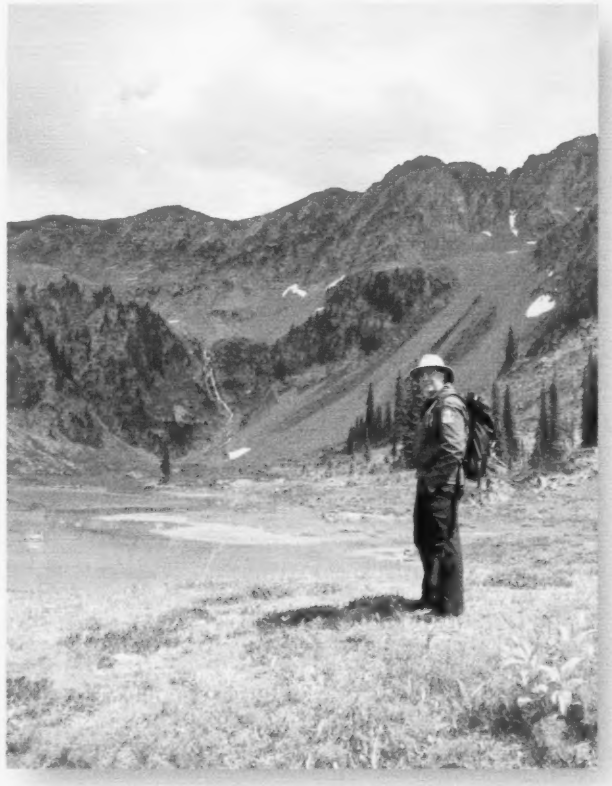
The Ministry holds the legislative authority for provincial permitting and licensing activities and uses FrontCounter BC to coordinate single-window service for applicants. This new structure enables the Province to work with the federal government towards establishing a 'one process' model. It streamlines government processes to create predictability in the natural resource sector, better attract global investment and turn proposed projects into actual worksites and jobs.

Sharing Service Delivery - Provincially and Regionally

The Ministry is part of an coordinated system, with provincial oversight through the Natural Resource Sector Management Board and the Environment and Land Use Committee. By working as part of a system that supports shared service delivery regionally and provincially, the Ministry ensures operational decisions on the land base match policy development, and considers region-specific interests in land use. Regional land uses include: oil and gas exploration in the northeast, mining in

the central north, gateway to Asia-Pacific markets in the north coast, clean energy in the south coast and tourism in the south.

When Government's structure to manage Crown land and natural resources was reconfigured in the spring of 2011, it created an improved arena for coordination and integration. The ministries involved included: Aboriginal Relations and Reconciliation; Agriculture; Energy and Mines; Environment; Forests, Lands, and Natural Resource Operations; and Jobs, Tourism and Innovation. Under the direction of the Natural Resource Sector Management Board, these ministries are making bold changes to service delivery in the natural resource sector. This sectoral approach promotes streamlined authorization processes and enhanced access to public services across the province. The reconfiguration facilitates more consistent engagement and consultation with industry, stakeholders, partners and clients. It also enhances inclusion of Aboriginal, economic and environmental considerations into decision making. The ministries are working together to make these improvements and meet the commitments of the *BC Jobs Plan*.



An integrated approach to permitting enhances our ability to meaningfully consult with First Nations. The Ministry of Aboriginal Relations and Reconciliation remains responsible for the overarching Crown-First Nations relationship as well as consultation policy, and supports all natural resource sector ministries on strategic consultation issues such as proposed policy or legislation changes. Through its New Relationship with First Nations, this Ministry along with government as a whole remains committed to constructive consultation with Aboriginal peoples on socio-economic issues and opportunities.

Strategic Context

The mandate of the Ministry of Forests, Lands and Natural Resource Operations is broad and oversees a total land base and freshwater area that covers 94.8 million hectares. With the breadth comes a range of issues that affect the Ministry's ability to achieve its goals which includes adaptation to climate change, recovery from the economic downturn and associated effects on jobs and families in communities, and sustainability of our natural resources balanced with a prosperous economy.

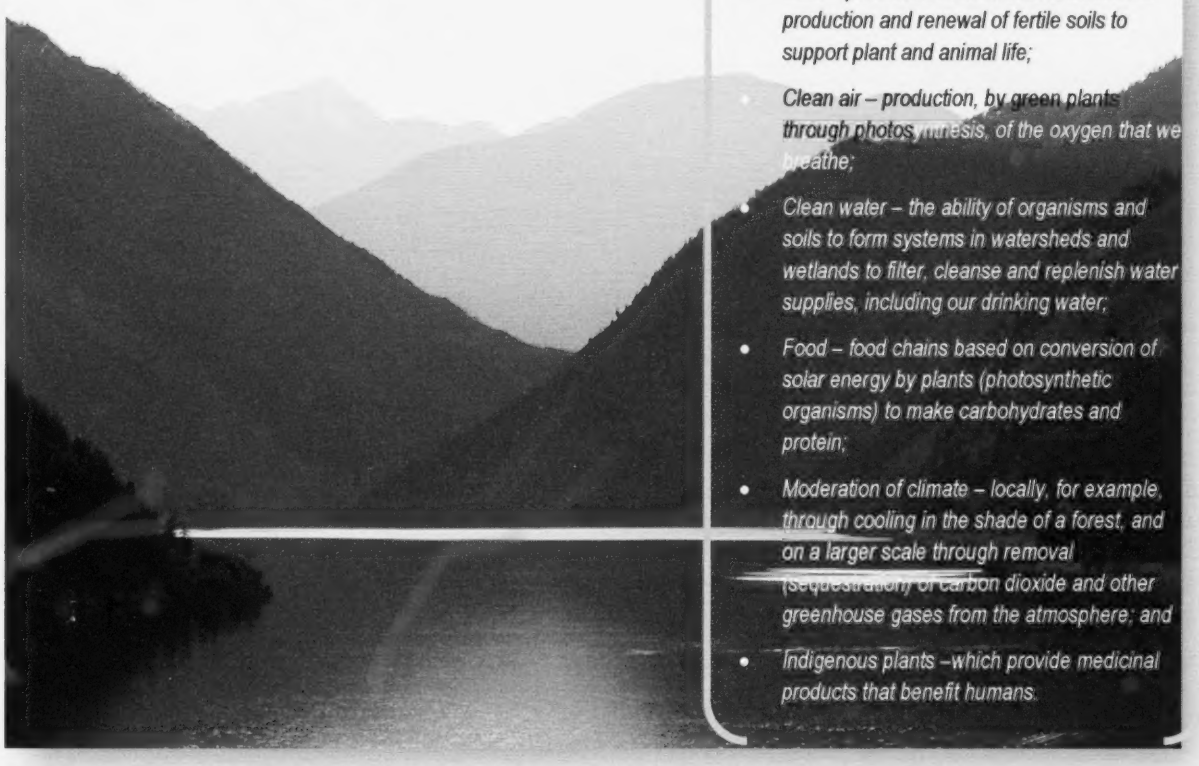
The resource base is rich – land, water, wildlife, forests, minerals and energy – and each resource has a market sector with interests in its development and use. B.C.'s population and its needs are diverse – from First Nations and new immigrants to the urban/rural divide. Trends include a greener economy, increased demands for clean energy, and expanding digital media. As foreign economies and markets grow, so do opportunities for B.C.'s environmental leadership. Some of the key drivers, challenges and opportunities facing the Ministry follow.

Natural capital - B.C. is rich in natural capital, which consists of natural, environmental, and ecosystem resources, and land. It includes species of plants and animals that depend on each other, and upon which humans depend for food and to support commercial industries. Forestry, agriculture, ranching, fishing, and outdoor recreation require continued, sustainable supplies of ecosystem goods. Natural capital yields services and goods over time, which is essential to the sustained health of our environment and the economy.

British Columbia's native species and natural ecosystems also provide a sense of cultural identity and artistic, recreational and spiritual inspiration. They are an important part of British Columbia's and Canada's natural heritage for current and future generations. For many reasons, the province's natural capital has immeasurable value.

Natural capital is critical in sustaining life; its contributions include:

- *Soils – protection of soils from erosion and production and renewal of fertile soils to support plant and animal life;*
- *Clean air – production, by green plants through photosynthesis, of the oxygen that we breathe;*
- *Clean water – the ability of organisms and soils to form systems in watersheds and wetlands to filter, cleanse and replenish water supplies, including our drinking water;*
- *Food – food chains based on conversion of solar energy by plants (photosynthetic organisms) to make carbohydrates and protein;*
- *Moderation of climate – locally, for example, through cooling in the shade of a forest, and on a larger scale through removal (sequestration) of carbon dioxide and other greenhouse gases from the atmosphere; and*
- *Indigenous plants –which provide medicinal products that benefit humans.*



British Columbia's Natural Capital and Economy

British Columbia, with its widely varying topography and climate, is the most ecologically rich jurisdiction in Canada. Its world-renowned beauty and natural resources form a cornerstone of prosperity for British Columbians. Increasingly, economists around the globe are putting nature on the balance sheet – natural capital. Ecosystems perform invaluable services such as flood control, pollination, carbon sequestration and water purification. One estimate suggests the value of $700 billion annually from the boreal forest just by its being there.

Much of B.C.'s economy is based on natural capital through environmentally sustainable use of it; such as fishing, forestry, mining, clean energy generation, and tourism. British Columbia's natural resources generate significant revenue to the Crown, and natural resource development is a key driver of B.C.'s economy. The environment is an essential part of the economy and the emergence of a green economy, for example developing instruments to cut water usage or making the production of electricity more efficient, are major industries developing into the future.

B.C.'s economic trends:

British Columbia's economy is recovering from the downturn of 2008. The market value of all goods and services produced in the economy is measured as Gross Domestic Product (GDP). The Economic Forecast Council estimates that British Columbia's real GDP grew by 2.2 per cent in 2011 and projects that the rate of real GDP growth will remain at 2.2 per cent in 2012, before increasing to 2.5 per cent in 2013. Risks to British Columbia's economic outlook include a return to recession in the US; the European sovereign debt crisis threatening the stability of global financial markets; slower than anticipated economic growth in Asia dampening demand for BC exports; and a weakening of the US dollar disrupting the financial markets and raising the cost of BC exports abroad. In 2010:

- *B.C's real GDP increased by 4.0 per cent and surpassed the Canadian average. In most provinces, construction, mining and oil and gas extraction as well as manufacturing spurred goods production to outpace growth in services.*
- *In B.C., strong export demand led to growth in forestry and logging and manufactured wood products, and as energy prices strengthened, coal mining increased 27 per cent and support activities for mining and oil and gas extraction expanded 33 per cent.*
- *Construction output rose 11 per cent, as work began at new mine sites and on oil and gas engineering projects.*
- *British Columbia's shipments of manufactured goods from the forest sector such as lumber, pulp and paper and wood pellets totaled $9.1 billion, up 20.2 per cent from 2009.*
- *Asia Pacific markets presented a tremendous opportunity to offset the reduced forest product demand in the U.S. where the struggling American housing market continues to be a major source of weakness for the U.S. economy.*

Key Challenges and Opportunities

Challenge: competing and overlapping demands for resources.

The growth in natural resource sectors creates competition for the land base, water and resources. As levels of development increase, there are corresponding pressures placed upon the environmental and social values on the landscape. There is a need to recognize and balance the cumulative footprint of this development on social, economic and environmental outcomes that are of primary importance to British Columbians.

Sector activities that overlap and contribute to the cumulative footprint on the landscape include: forestry tenures; mineral, oil and gas exploration and development; major hydro projects; biomass energy; wind farms; transmission corridors for electricity or fuels; community water supply storage; grazing; recreational hunting and fishing; heli-skiing; and alpine resort and recreational trails development – all of which involve particular interests and rights, and expectations that a particular use of the land base will be maintained or grown.

Opportunity: The Ministry is building tools to integrate competing and overlapping resource use information into government's decision-making. Expected results include clarity about environmental, economic and social values, increasing certainty in which to operate, and durable land use decisions. The natural resource sector will benefit from the Ministry's strategy to streamline and develop an integrated approach to landscape level management that supports more efficient client service delivery, while maintaining environmental sustainability and long-term viability of resources, and protecting species at risk.

Job trends by natural resource sector:

- *Forestry directly supported 55,500 jobs in 2010, up 6.7 per cent from 2009. The total number of jobs is, however, 18 per cent below the five year average of 67,640 jobs.*
- *The mining sector, comprised of metals, coal and industrial minerals provided direct employment for over 20,000 people and over 24,000 spinoff jobs in 2010.*
- *The construction aggregates sector contributes a further 2,300 direct jobs across rural and Lower Mainland communities.*
- *Natural gas development in northeast B.C. supports direct employment for 13,000 people throughout five communities.*
- *Almost 18,000 tourism companies in B.C. create most of the 127,000 jobs in the industry.*

Challenge: Backlog of resource use applications.

Currently, there are over 6,700 authorization permits pending approval for developing projects. In today's British Columbia, the number of significant natural resource projects – accompanied by billions of dollars in capital investment – has substantially increased. In the south area of the province alone there are at least 27 large projects worth an estimated $10.4B in capital investment. Northern B.C. is experiencing an even more demanding level of potential investment and accompanying activity.

Innovation, investment and employment trends:

Opportunities for innovation, investment and employment in B.C.'s communities continue to increase, such as:

- *Forestry-related jobs will benefit from marketing efforts to expand sales of softwood lumber and other forest products into China, and through tenures that encourage use of beetle-attacked timber for bioenergy and value-added products.*
- *British Columbia is one of North America's most competitive energy-producing areas and the second largest producer of natural gas in Canada. More than half of the remaining natural gas in the Western Canadian Sedimentary Basin is in British Columbia. If natural gas prices stay where they are, this sector is on line to double production by 2020, bringing both jobs and investment opportunities.*
- *Over 20,000 workers, from entry level to highly technical positions, are directly employed in the province's petroleum and natural gas sector, mainly by service sector companies in the northeast region. B.C. also has 26,000 kilometres of oil and gas pipelines and is the potential gateway to new markets for Canada's oil and gas.*

Opportunity: The Ministry has an opportunity to do more to support these projects and investments. The *BC Jobs Plan* has a mandate to enhance the regulatory framework for forests, lands and natural resources with measured progress in clearing the current backlog and associated tenures. Single engagement on a project or activity rather than multiple interactions through various authorizations leads to a clear understanding about what is being proposed on the land base, eliminates overlapping information exchanges, and will require fewer resources.

To that end, the Ministry set targets to reduce the backlog of permit applications, streamline regulation and move major projects forward. The Ministry collaborates on delivering natural resource major projects with the Ministry of Jobs Tourism and Innovation, whose role is to attract and accelerate new investment to British Columbia. It is working with the Ministry of Energy and Mines in reducing the backlog of mining Notice of Work applications, as well as developing new, or expanding existing, mines. The Ministry is also working with the Ministry of Jobs Tourism and Innovation and the Environmental Assessment Office to harmonize the review processes for new resorts and expansion to existing resorts.

Challenge: Supporting jobs, families and communities through economic recovery.

Forestry, tourism, mining and energy related industries are primary and important natural resource sector employers in many of British Columbia's rural communities. The nature of the work in the natural resource sector often involves challenges to personal and environmental safety, and consequences to industrial accidents are potentially grave and can affect the community profoundly. For example, the injury rate cost of $\$1.07/m^3$, is a significant influence on the forest sector's ability to be competitive.

Every sector faces similar demographic and economic

challenges – primarily a lack of specific skills for the jobs that are emerging in the areas where sectors are recovering. The increased economic activity has put significant pressure on community resources and the local labour market. For example, capital investment in the northeast region of the province doubled between 2006 and 2009 with the majority of investment going towards the development of shale gas in the Horn River and Montney basins. Also, British Columbia is a choice tourism destination. Global international arrivals will grow to 1.6 billion by 2020, an average of 4.5 per cent per year.

Opportunity: The Ministry supports the *BC Jobs Plan* by advancing policies that strengthen investment, innovation and productivity, and by making things work on the ground in a way that meets economic, social and environmental goals. An integral piece that the Ministry is leading is the forest sector strategy. The Ministry is collaborating with the Ministry of Jobs, Tourism and Innovation and the private sector on the marketing of major resorts (e.g. Experience British Columbia) to support the major ski resort sector, promote tourism, attract new visitors to British Columbia and create jobs in construction.

Environmental and workplace safety contribute to communities' social and economic bottom lines. Safety for the general public, as well as ministry workers and workers the Ministry influences, is a value that permeates ministry business. Safety supports the Ministry's ability to sustainably and effectively achieve business goals.

Challenge: Climate change remains one of government's key challenges and priorities.

Climate is the chief determinant of the distribution of species and the nature and character of ecosystems, and is a key driver of biodiversity. British Columbia is the most biologically diverse province in Canada and has the highest number of native species – home to 70 per cent of Canada's freshwater fish, 60 per cent of its evergreen trees, and 24 of Canada's mammal species which occur only in B.C. British Columbia's dynamic systems such as the intact large mammal predator-prey systems are globally significant.

British Columbia has almost 60 million hectares of forest of which less than 0.5 per cent is logged each year. B.C.'s vast forests can add or remove significant amounts of greenhouse gases from the atmosphere. The net balance changes over time in response to both natural events and forest management. Large amounts of carbon are stored in the wood products manufactured from B.C.'s forests.

Opportunity: The Ministry is supporting implementation of the provincial Climate Change Adaptation Strategy, which calls on government agencies to consider climate change and its impacts, where relevant, in planning, projects, policies, legislation, regulations, and approvals, by assessing business risks and opportunities related to climate change. Adaptation is a vital part of government's climate change plan. It means taking action now to prepare for a changing climate and its impacts on ecosystems, resources, businesses and communities.

Actions supporting the Climate Change Adaptation Strategy include:

- *All public lands that are logged in B.C. must be reforested with native species. Two hundred million seedlings are planted annually – a key reason why B.C. has healthy, sustainably managed forests even after more than 100 years of timber harvests.*
- *British Columbia has set a goal of meeting 50 per cent or more of the province's renewable fuel requirements by 2020 with B.C. produced biofuels. The B.C. Bioenergy Strategy is helping to realize the value of our abundant biomass resources, such as beetle-killed timber, wood wastes and agricultural residues for renewable energy and other value-added products.*
- *British Columbia's wood pellet industry is playing a major role in developing renewable bioenergy sources locally and internationally with growing production and export markets. In 2010, B.C.'s pellet mills produced 1.2 million tonnes of pellets, and almost all of the production was shipped to Europe. Green energy policies in Europe and emerging energy policies in Asia, for example, South Korea, are expected to drive increased pellet demand.*
- *The Ministry is contributing to the modernization of the* Water Act *which is part of* Living Water Smart: B.C.'s Water Plan *– government's vision and commitment to ensuring that our water stays healthy and secure for future generations. The new* Water Sustainability Act *would replace the existing century-old* Water Act *and ensure that the management of water is sustainable for current and future generations.*

Goals, Objectives, Strategies and Performance Measures

The overall thrust of the Ministry of Forests, Lands and Natural Resource Operations is to make timely and durable decisions on the land base, that bring both economic prosperity and environmental sustainability. The restructuring in March 2011 brought heritage conservation functions to the Ministry. Overall, the Ministry is focused on:

- integrating policy with operational land management, enabling us to effectively and sustainably manage B.C.'s land base for a variety of uses;
- promoting economic development and excellent public service to communities across British Columbia;
- ensuring environmental standards are upheld and environmental sustainability is achieved with resource use activities in British Columbia; and
- increasing the efficiency of public service delivery to meet the budget and demographic challenges facing government.

The set of nine performance measures selected for this three year period reflect government's new priorities of jobs, families and communities, in balance with the Ministry's stewardship and environmental values. In September 2011, government released the *"Canada Starts Here: BC Jobs Plan"* which builds on a solid foundation to attract new investment and open new markets for B.C.'s products and services. It leverages the strengths of British Columbia's most competitive sectors: forestry, mining, natural gas, agri-foods, technology, tourism, transportation and international education. This Ministry is focusing on reducing the time it takes for businesses wanting to invest in natural resource development to get decisions on approvals and permits – which will be done without compromising environmental values or the requirement to consult with First Nations.

There are four new performance measures – two of which address *Jobs Plan* targets with streamlining and decreasing the backlog on authorizations; and two address environmental standards and stewardship values. Of the five measures that continue from last year's plan, two are recalibrated to reflect shifts in the Ministry's mandate after the last reorganization in March 2011.

Goal 1: Efficient, citizen-centred public service delivery.

Objective 1.1: Streamlined authorizations processes.

Strategies

- Develop and implement a set of common standards and a coordinated, streamlined approach to resource use authorizations, particularly for projects requiring multiple approvals.
- Expand the efficiency of online service delivery and improve timelines by developing and implementing electronic licensing, payment and permitting options, and client-directed authorizations.
- In collaboration with natural resource agencies, federal agencies and municipalities, improve business processes to better serve clients through ongoing identification and implementation of streamlining opportunities.

Performance Measure 1: Natural resource authorisations backlog reduction.

Performance Measure	2011/12 Baseline[5]	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Number of outstanding mining Notice of Work (NoW) applications[1]	229	137	46	N/A	N/A
• Average number of days turnaround time for new mining NoW applications.	• 110 days	• 102 days	• 60 days	• 60 days	• 60 days

Data Sources: Ministry of Energy and Mines.

[1] Targets for 2011/12 and 2012/13 reflect committments in the *BC Jobs Plan* to reduce the backlog by 80 per cent by 2013. Targets for new mining Notice of Work applications convert to maintenance of an average 60 day turnaround time in 2013/14 and 2014/15.

Discussion

This new performance measure supports commitments from the *BC Jobs Plan*, and assesses one aspect of the broader Ministry commitment to streamline the regulatory framework for managing the province's forests, lands and natural resources. The intention is to reduce the backlog in the mining-related Notice of Work applications by 80 percent by August 2012. Once the backlog of applications is reduced, the intention is to maintain an average 60-day turnaround time from 2013 onwards. The Ministry is also working to reduce the backlog of *Land Act* and *Water Act* applications by 50 per cent by the end of 2012, also reflected in the *Jobs Plan*.

Tracking backlog reduction with this performance measure will help the Ministry assess its progress in streamlining authorizations processes, and in enhancing efficiency, predictability and transparency in its delivery of authorizations services.

Objective 1.2: Integrated and coordinated client services.

Strategies

- Provide client-focussed service that is responsive to the needs and interests of citizens and businesses seeking assistance with preparing applications for natural resource-use authorizations.
- Provide excellent provincial land, natural and heritage resource information and advisory services.
- Collaborate on the new *Government 2.0* Technology and Transformation open data initiative.

Performance Measure 2: Client satisfaction with natural resource authorisations services.

Performance Measure	2007/08 Baseline	2011/12 Forecast[1]	2012/13 Target	2013/14 Target	2014/15 Target
FrontCounterBC client satisfaction success score.	71	80	82	84	86

Data Source: FrontCounter BC Authorization Tracking System and BCStats Client Satisfaction Survey.

[1] Forecast and targets are set using 18 month trending, and considering operational context (e.g., creation of the new Ministry of Forests, Lands and Natural Resource Operations, budget impacts on staffing levels, global economic factors, etc.)

Discussion

The success score combines two aspects of FrontCounter BC's client satisfaction metric: business' and individuals' ability to obtain information and assistance with preparing applications for resource-use

authorizations; and client satisfaction with the overall authorization process across natural resource sector ministries. This measure supports the Ministry vision and enables staff to be client focused in their service delivery, to be responsive to the needs and interests of citizens and businesses, and to assist partner agencies with delivering client-centric services.

The baseline client satisfaction rating of 71 was established in 2007 through FrontCounter BC; this was achieved after sufficient data had been collected by BCStats, the Province's independent statistics agency. Client satisfaction scores provide a comprehensive measurement of service excellence and provide important data that enables operational improvements to be made that have a direct impact on a client's experience with government.

Goal 2: Coordinated and sustainable management, use and stewardship of B.C.'s natural capital.

Objective 2.1: The development and use of natural resources are accomplished within the standards set out in the Ministry's legislative and regulatory framework.

Strategies

- Support government's Climate Change Adaptation Strategy with natural resource management practices and standards that are adaptive for a changing climate and enhance ecosystem resilience.
- Enhance natural resource stewardship through effective compliance and enforcement actions that include major projects monitoring, Crown land tenures and trespass, dam safety, forestry and range practices, and actions that support wildlife management.
- Partner with sector agencies to ensure standards and effective practices are relevant and contribute to sustainable management and use of B.C. natural resources.
- Enhance public trust in natural and heritage resource management practices and operations.

Performance Measure 3: Meeting management and use standards[1]

Performance Measure	2011/12 Forecast	2012/13 Target[3]	2013/14 Target	2014/15 Target
Per cent of the regulated community's compliance with statutory requirements[2]	92%	80%	85%	90%

Data Source: Ministry of Forests, Lands and Natural Resource Operations Compliance Information Management System

[1] The title of this performance measure was changed this year – the former name was "Compliance with resource laws"

[2] Regulated community includes all persons (including licensees, contractors, public and government) subject to statutory obligations within the Ministry's mandate.

[3] With the restructure of the natural resource sector, the Ministry's compliance and enforcement obligations have expanded significantly beyond forestry. The next fiscal will be needed for the establishment of a practical compliance baseline under Acts that are new to the program, including the *Land Act*.

Discussion

This measure demonstrates how well the regulated community is complying with their statutory obligations under various natural resource management Acts and their associated regulations. The regulated community includes all companies and persons subject to statutory obligations within these Acts and regulations.

This indicator is measured as the number of inspections that are in compliance against the total number of inspections completed. Inspection priorities are based on an assessment of risk to public health and safety, as well as contributing to significant social and economic values. Enforcement includes a range of actions depending on the severity of the contravention such as fines, stop work orders, remediation orders or incarceration.

Over the next three years, compliance targets under this objective will be adjusted to reflect:

- a significant learning curve for both the regulated community and staff with respect to the expanded mandate of compliance within the new Ministry; and
- the move to a new streamlined compliance legislative framework designed to facilitate more effective and efficient compliance actions across the sector.

Objective 2.2: Natural resource productivity is optimized through conservation, stewardship, and effective policy, legislation and external relationships.

Strategies

- Work in partnership with natural resource ministries to modernize natural resource policy and legislation that recognises requirements for resilient ecosystems and species, while streamlining regulation that improves competitiveness.
- Advance professional reliance through clear accountabilities and an environment that supports innovative practices.
- Integrate decision-making that is well informed of landscape level impacts across sectors, including identification, conservation and preservation of historic and archaeological resources.
- Facilitate bioenergy and other natural resource opportunities through ministry policy, legislation and external relationships.
- Promote and foster consultation with First Nations and local governments to achieve local approaches to landscape level management.
- Increase timber quality and supply through silviculture and carbon investments and sustainable forest management practices, and mitigate mid-term timber supply impacts caused by the mountain pine beetle.
- Work collaboratively with multi-sector partner groups and First Nations to increase ecosystem health by restoring degraded ecosystems through invasive plant management, ecosystem restoration, remediation and best management practices.

Performance Measure 4: Mountain Caribou herds meeting recovery objective.

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Number of Mountain Caribou herds in recovery [1]	N/A	4	9	14

Data Source: Species at Risk Recovery Implementation Section, Fish Wildlife and Habitat Branch, Ministry of Forests, Lands and Natural Resource Operations

[1] Mountain Caribou are a species at risk and herds are in decline. The Ministry is under Cabinet directive to halt the decline by 2014. Targets are the progressive accumulation of Mountain Caribou herds that are expected to be stable or increasing over the next three years until the final target of 2014 is attained.

Discussion

British Columbia is home to all of the world's mountain caribou. Mountain caribou rely on old forest in south-east interior mountains for winter habitat. Mountain caribou have been in decline over the last decade or more due to historic overhunting and habitat destruction. They currently face significant predation pressure from wolves, cougar and bears.

In 2007, the government announced the Mountain Caribou Recovery Implementation Plan with goals to stop the decline in mountain caribou by 2014 and set recovery numbers to 2,500 by 2027. The recovery plan supports B.C.'s commitments to the national Protection of Species at Risk Accord.

The Ministry has completed management action to protect high value habitat, reduce disturbance from motorized winter recreation and reduce predation. Augmenting small populations and more aggressive predator control will occur as the need arises over the next few years. Winter surveys of caribou herds, at least every third year, will assess how effective these management actions are at meeting the Mountain Caribou Recovery Implementation Plan goals, specifically stopping the decline by 2014.

Performance Measure 5: Recovery of open forest and grassland ecosystems

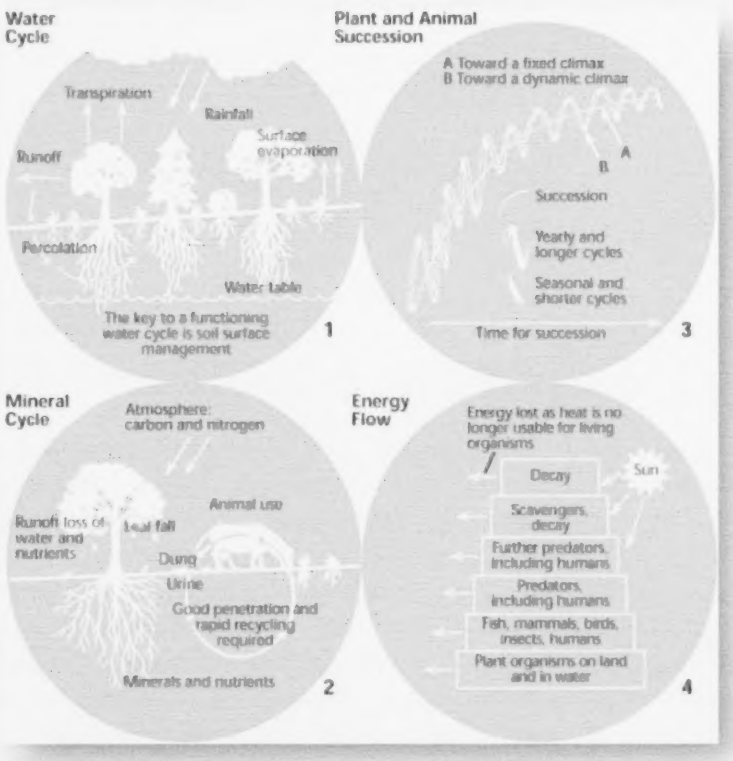
Performance Measure	2011/12 Forecast	2012/13 Target[1]	2013/14 Target	2014/15 Target
Number of hectares of ecosystems in recovery mode	6,000	12,000	18,000	24,000

Data Sources: Land Based Investment Strategy - Categories: Range Remediation; Ecosystem Restoration; and Invasive Plant Management. Invasive Alien Plant Program database. District range reports. Ecosystem Restoration Steering Committee reports.
[1]Targets are cumulative over the three year period and include an aggregate total of Range Remediation, Ecosystem Restoration, and Invasive Plant Management annual targets.

Discussion

This performance measure assesses one aspect of the Ministry's efforts to maintain natural capital through the recovery of open forest and grassland ecosystems, which include riparian and subalpine types that are affected by commercial and recreational use. The performance targets are cumulative, with an expected increase of 6,000 hectares recovered per year based on current funding levels.

The natural capital found in healthy ecosystems is in its contribution of services and goods to the economic, environmental, social and cultural values of the province. Biodiversity, wildlife habitat, forage, wood fiber, clean air and water, recreation and economic opportunities are the products of healthy ecosystems. Riparian areas – located on or near a natural watercourse – are particularly vulnerable. Although riparian areas account for only 1 to 5 per cent of most B.C. landscapes, they are disproportionally important for their biodiversity, forage, and wildlife values.



Ecosystem health or functionality is determined by measuring the state at which soils and ecosystem processes, including recovery mechanisms, are maintained. The four spheres diagram to the right illustrates the processes and their interrelationships.

Ecosystems are degraded by the establishment and spread of invasive plants, intensive recreational activities such as off-road vehicles, poor grazing practices, forest encroachment, urbanization, the loss of connectivity through land alienation, and the fragmentation of some ranches. As British Columbia's population continues to grow and use of its Crown land increases, the need for resource protection and restoration of degraded areas will increase.

A changing climate will compound the ecological changes arising from decades of fire suppression in the dry forests of the interior and chronic over-grazing of some ecosystem types. Excessive in-growth in once open forests and trees encroaching onto historic grasslands have a negative effect on ecosystem resiliency with increased wildfire hazard and eroded forage supply, wildlife habitat and First Nations cultural values. Resource management practices are adapted to ensure ecosystem resiliency, productivity and functionality.

Performance Measure 6: Timber volume gain from silviculture investments.

Performance Measure	2011/12 Forecast[2]	2012/13 Target[3]	2013/14 Target	2014/15 Target
Timber volume gain (millions of cubic metres) expected in 65 years from silviculture treatments completed[1]	7.3	7.7	8.3	8.3

Data Source: Volume gains (millions of cubic metres of wood) estimated using data submitted by licensees and the Ministry to RESULTS (Reporting Silviculture Updates and Land status Tracking System) and SPAR (Seed Planning and Registry System).

[1] Gain as compared to basic reforestation using natural unimproved seed sources; "Timber Volume gain" includes incremental growth associated with silviculture treatment (planting using select seed, rehabilitation, juvenile spacing, and fertilization) and is based on the estimated total accumulated volume gains in 65 years.

[2] The forecast for fiscal 2011/12 is higher than expected due to a resurgence of licensee planting and their use of select seed, which resulted in an associated increase in timber volume gain.

[3] Targets are based in part on Land Based Investment Strategy (LBIS) funding, and are also influenced by licensee activity. Targets are forecast based on activity from the previous 2 years as, for example, seedlings sown in fall 2011 for planting in spring and summer 2013 influence targets in 2013/14.

Discussion

This performance measure indicates the estimated future gains in timber volume as a result of investing in various silviculture activities that enhance Crown forest productivity. 'Timber volume gain' is a high-level indicator of the benefit from investments in the land base, forest resource stewardship, and timber productivity.

Silviculture treatments primarily aim to increase timber volume and quality as well as shorten harvest rotations by planting with select seed, spacing juvenile trees, and fertilization. Other benefits from silviculture include: increased short- and mid-term timber supply through fertilization; increased carbon storage; accelerated development of mature or old-growth characteristics for wildlife, conservation and biodiversity; higher wood quality; and reduced wildfire hazard through spacing and pruning. All together these treatments create more pleasing visual landscapes, and provide short- and long-term employment opportunities.

BC Timber Sales and major tenure holders have a legal obligation to reforest harvested areas. Where planting is undertaken, the law requires the use of select seed wherever available. Use of select seed is currently

providing the largest future volume gains and will assist in ameliorating shortfalls in the timber supply. Mid-term timber supply can be further improved through activities such as strategic juvenile spacing and fertilization.

In this year's plan the increases in targets reflect increased amounts of tree seedlings sown with select seed, increased amount of area to be planted by Forests for Tomorrow, and a greater amount of area planned for fertilization.

Objective 2.3: Safe and environmentally responsible natural resource management practices.

Strategies

- Collaborate with the Ministry of Environment on implementation of the Conservation Framework.
- Effectively monitor and manage risks to the environment and public health and safety, such as flood hazard, contaminated sites and interface wildfire.
- In cooperation with industry, enhance collaboration to improve environmental and safety management through ministry business and policy development.

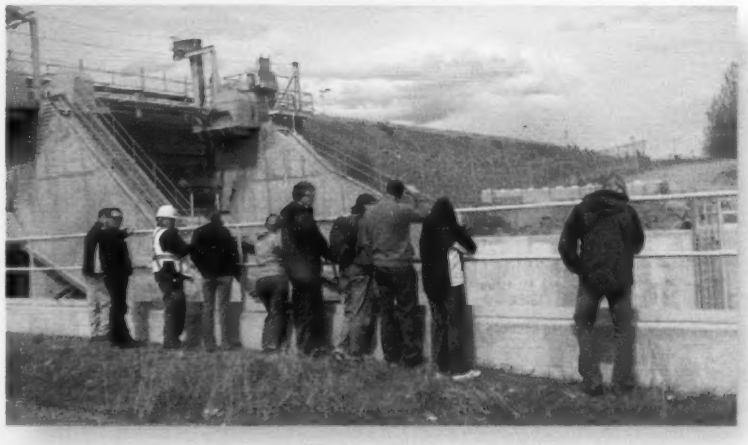
Performance Measure 7: Dam safety inspection compliance.

Performance Measure	2002/03 Baseline	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Percentage of owners of High and Very High Consequence Classification dams that complete the required inspections and return the Inspection Compliance Form[1]	62%[2]	91%	92%	93%	94%

Data Source: Water Management Branch, Ministry of Forests, Lands and Natural Resource Operations

[1] Based on Inspection Compliance Form returns from owners of the approximately 300 High, Very High and Extreme Consequence Classification dams in British Columbia. The number of dam owners increased by 10 from last year due to a change in the classification of dams in fall 2011 resulting from the Rapid Dam Assessment that occurred in 2010.

[2] Percentage of owners of High and Very High Consequence Classification dams that returned the Inspection Compliance Forms for 2002/03.



Discussion

Data for this performance measure has been collected since inception of British Columbia's Dam Safety Program Compliance Strategy in 2002/03, providing a well established baseline.

In fall 2011, the Dam Safety Regulation was amended including changes to the dam failure consequence classification to bring it in line with the Canadian Dam Association classification system. Under the authority of the Dam Safety Regulation, of the *Water Act*, all B.C. dam owners with High, Very High or Extreme Downstream Consequence Classification dams are required to complete an annual compliance form to confirm the status of their dam inspection program. The results are used by the Water Management Branch to determine whether dams are being inspected and maintained by the owners as required.

Every five years, each high, very high and extreme consequence dam receives a site audit by a Ministry Officer. Significant consequence dams are audited every 10 years.

Compliance and audit results are available after May 31 in the Dam Safety Program Annual Report.

Annual Compliance Form Questions:

The annual compliance form requests responses to the following:

- *Has your formal Inspection for 2011 been completed?*
- *Have any dam safety concerns been identified?*
- *Has a plan been prepared to address the safety concerns?*
- *Did you undertake regular site surveillance?*
- *Has a Professional Engineer completed your Dam Safety Review?*

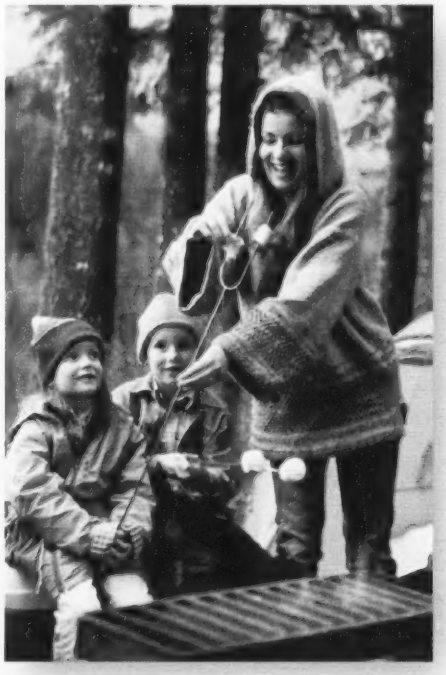
For the 2011/12 survey, three additional questions were asked:

- *Have you submitted your Dam Safety review?*
- *Do you have a current Operation, Maintenance and Surveillance Manual & Emergency Preparedness Plan?*
- *Have you completed the annual Emergency Preparedness Plan review?*

Goal 3: Productive, thriving natural resource sector and resilient communities.

Objective 3.1: Natural resource decisions and dispositions support community needs and provincial priorities, and encourage private investment.

Strategies



- Manage and resolve high value land disposition proposals, often involving multiple government agencies and parties, to advance government priorities and provide broad public benefit.
- Encourage industry and private investment to improve natural resources by providing clarity and predictability in permitting.
- Remove barriers and create the conditions that encourage investment, access and development of forests, land and natural resources and developable Crown land.
- Ensure durable decisions and improved delivery of natural resource sector major projects that are within the Ministry mandate.
- Foster an efficient and innovative market-based operating climate.
- Support the diversification of natural resource product markets, and Crown land utilization.
- Continue to work with communities, First Nations and key stakeholders to address impact of the mountain pine beetle and its effect on timber supply.
- Develop and coordinate consistent and effective First Nation consultation function for the natural resource sector to respect First Nation interests in the land base.

Performance Measure 8: New mines and expansions to operating mines.

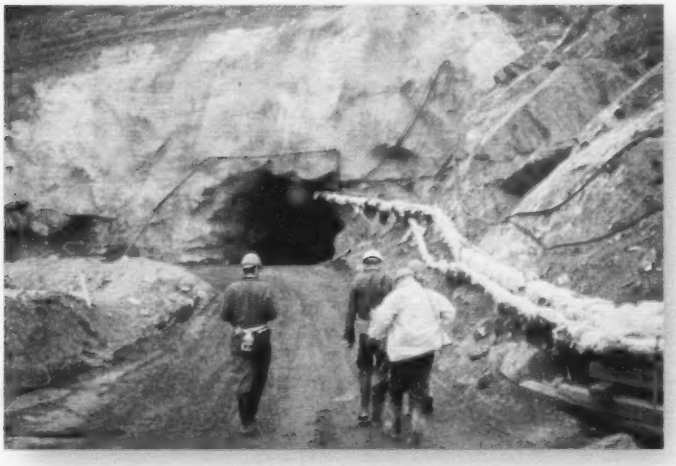
Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target[1]
• Number of new mines in operation	1	2	3	2
• Number of operating mines with upgrades or expansions	1	4	2	2

Data Source: Ministry of Forests, Lands and Natural Resource Operations Major Projects Office; Data analysis by Ministry of Energy and Mines.
[1] Annual targets are discrete (not cumulative) with the total numbers of 8 new mines and 9 operating mines with upgrades or expansions by 2015 reflecting committments as set out in the *BC Jobs Plan*..

Discussion

This performance measure is new in this year's service plan and is consistent with the Ministry of Energy and Mines. The annual targets support commitments from the *BC Jobs Plan* to see, in concert with the private sector, a total of eight new mines and nine expansions to existing mines by 2015. A major project, such as a mine, can create hundreds of jobs throughout its lifecycle. Selecting mining projects as an indicator, the measure can help the Ministry assess the transparency and predictability of the regulatory review process for major projects.

Recent growth in the number of major projects, and the need to meet legal responsibilities for First Nations consultation associated with regulatory decisions, necessitated a system-wide approach for project management.

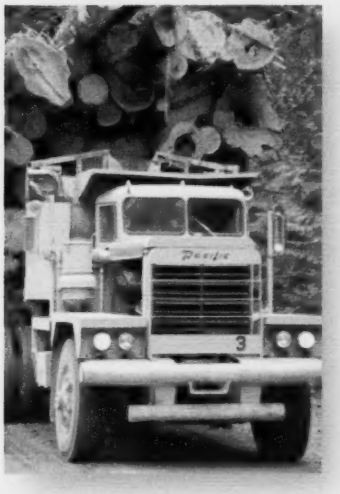


In response the Ministry created a Major Projects Office with overarching project coordination, effective project management and accountable leadership on major projects. The Ministry is working collaboratively with other natural resource agencies to identify opportunities to improve the delivery of natural resource sector major projects within the context of existing regulatory review processes.

Objective 3.2: Economic benefits of natural resource development are optimized.

Strategies

- Support priority treaty and reconciliation initiatives led by the Ministry of Aboriginal Relations and Reconciliation.
- Expand First Nations participation in the forest sector through the First Nations Forest Sector Strategy.
- Continue to build partnerships with local governments, other agencies and First Nations to identify sustainable resource development opportunities.
- Support the implementation of initiatives that contribute to a globally competitive and sustainable sector.
- Improve forest fibre utilization to support further manufacturing and bioenergy.
- Partner and work with all levels of government and the heritage sector to build capacity for community heritage conservation, foster the sustainability and rehabilitation of the historic built environment, and promote the exemplary recognition and conservation of historic places in B.C.
- Market and maintain public recreation sites and trails in partnership with communities that support rural economic and health benefits provided by outdoor recreation opportunities.
- Collaborate with industry and ministries to focus the B.C. Resort Strategy on enabling success of existing all-season resorts.



Objective 3.3: Generate revenue from B.C.'s natural resources.

Strategies

- Support the sustainable use of natural resources to generate government revenue.
- Ensure effective management of ministry revenues.
- Ensure BC Timber Sales continues to provide credible data to establish market-based stumpage rates.
- Ensure timely, accurate and complete measurement and billing of Crown timber.

Performance Measure 9: Government revenue derived from the use of Crown land and natural resources.

Performance Measure	2011/12 Forecast[1]	2012/13 Target[1]	2013/14 Target[1]	2014/15 Target[1]
Forests[2]	$446 M	$529 M	$548 M	$597 M
Crown Lands	$79 M	$76 M	$65 M	$56 M
Natural Resource Operations	$378 M	$424 M	$441 M	$454 M
Total gross revenue	$903 M	$1,029 M	$ 1,054 M	$1,107 M

Data Sources: (See footnotes, below)

[1] Based on the Ministry's January 2012 Forecast (excludes logging tax, commissions payable and other provisions).

[2] The Forest revenues are based on Timber Pricing Branch & Ministry of Finance consensus of commodity prices and harvest volumes utilized in the forecast modeling analysis.

Discussion

The Ministry's influence on this measure is from policy, regulation and permitting processes that contribute to an operating environment conducive to revenue generation. This indicator depicts what government can expect to see generated as revenue into the Provincial consolidated revenue fund, based on analysis of Crown forest and land activity under prevailing economic and market conditions.

The forest revenue collected by government during each fiscal year includes revenue from stumpage (i.e., timber tenures and BC Timber Sales) and other forest revenues (i.e., Softwood Lumber Border Tax, rents and fees, etc.). Crown land revenue is generated from Crown land tenures, Crown land sales and Crown land royalties. Natural resource operations revenue is generated primarily from water licences and rentals and *Wildlife Act* fees and licences.

Resource Summary

Ministry Resource Summary

Core Business Area	2011/12 Restated Estimates[1]	2012/13 Estimates	2013/14 Plan	2014/15 Plan
Operating Expenses ($000)				
Integrated Resource Operations	51,914	58,989	58,989	58,989
Resource Stewardship	92,210	102,211	62,211	92,211
Tenures, Competitiveness & Innovation	13,709	13,637	13,637	13,637
Timber Operations & Pricing	23,889	23,889	23,889	23,889
Regional Operations	116,192	116,092	116,092	116,092
Executive & Support Services	65,235	65,261	65,261	65,261
Direct Fire	62,901	62,901	62,901	62,901
BC Timber Sales Special Account	163,532	159,034	151,928	158,991
Crown Land Special Account	20	20	20	20
Total	589,602	602,034	554,928	591,991
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Executive & Support Services	21,465	27,723	28,038	25,807
BC Timber Sales Special Account	24,200	27,500	27,400	23,800
Total	45,665	55,223	55,438	49,607

Other Financing Transactions ($000)				
BC Timber Sales Disbursements	(53,751)	(61,900)	(62,900)	(51,600)
Crown Land Administration Disbursements	(4,250)	(5,878)	(6,764)	(6,382)
Crown Land Special Account Receipts	70	70	70	70
Habitat Conservation Trust Receipts	6,000	6,000	6,000	6,000
Habitat Conservation Trust Disbursements	(6,000)	(6,000)	(6,000)	(6,000)
Tourism Development Disbursements	(600)	(600)	(600)	(600)
Total Receipts	6,070	6,070	6,070	6,070
Total Disbursements	(64,601)	(74,378)	(76,264)	(64,582)
Total Net Cash Source (Requirements)	(58,531)	(68,308)	(70,194)	(58,512)

1 For comparative purposes, amounts shown for 2011/12 have been restated to be consistent with the presentation of the *2012/13 Estimates*.

Forest Practices Board Resource Summary

The Forest Practices Board is an independent watchdog for sound forest and range practices in British Columbia's public forests and rangelands. It informs both the British Columbia public and the international marketplace of forest and range licensees' performance in carrying out sound practices and complying with legal requirements. It also ensures that resource ministries are appropriately monitoring and enforcing forest and range practices legislation.

The Board audits tenure holders and government ministries for compliance with forest and range practices legislation, carries out special investigations and issues reports as appropriate, investigates concerns and complaints from the public, and participates in appeals to the Forest Appeals Commission. The Board's mandate is provided by the *Forest and Range Practices Act* and the *Wildfire Act*.

While the Board operates independently from the Ministry of Forests, Lands and Natural Resource Operations, its budget vote is the responsibility of the Minister. The Board independently reports its accomplishments and priorities through an annual report found at: www.fpb.gov.bc.ca.

Forest Practices Board	2011/12 Restated Estimates	2012/13 Estimates	2013/14 Plan	2014/15 Plan
Operating Expenses ($000)				
Total	3,815	3,815	3,815	3,815
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Total	-	-	-	-

Appendix 1: Ministry Contact Information

Headquarters
P.O. Box 9361 STN PROV GOVT,
Victoria, B.C., V8W 9M2
Phone: 250-387-1772
Fax: 250-387-3291
www.gov.bc.ca/for/contacts.html

BC Timber Sales – Headquarters
Website: www.for.gov.bc.ca/bcts/
Contacts: www.for.gov.bc.ca/bcts/contact/

Media
Government Communications and Public Engagement
Phone: 250-356-5261

FrontCounter BC:
Call toll free: 1-877-855-3222
Call from outside North America at:
++1-604-586-4400
E-mail: FrontCounterBC@gov.bc.ca
To contact specific offices, please visit:
www.frontcounterbc.gov.bc.ca/

Regional Operations Offices:

Surrey
Suite 200 - 10428 153rd Street, V3R 1E1
Phone: 604-586-4400

Nanaimo
2100 Labieux Road, V9T 6E9
Phone: 250-751-7163

Smithers
3726 Alfred Avenue, V0J 2N0
Phone: 250 847-7260

Prince George
5th Floor, 1011 4th Avenue, V2L 3H9
Phone: 250-565-6102

Williams Lake
200-640 Borland Street, V2G 4T1
Phone: 250-398-4327

Kamloops
441 Columbia St, V2C 2T3
Phone: 250 828-4449

Cranbrook
1902 Theatre Road, V1C 7G1
Phone: 250 426-1766

Fort St. John
370-10003 110 Ave., V1J 6M7
Phone: 250 784-1200

Appendix 2: Hyperlinks to Additional Information

Ministry website: www.gov.bc.ca/for/

Wildfire Information: www.bcwildfire.ca www.facebook.com/BCForestFireInfo http://twitter.com/BCGovFireInfo

Climate Adaptation Strategy: www.env.gov.bc.ca/cas/adaptation/index.html

Crowns, Agencies, Boards and Commissions associated with the Ministry:

Crowns
Creston Valley Wildlife Management Authority

Major Agencies, Boards and Commissions
Forest Practices Board www.fpb.gov.bc.ca
Timber Export Advisory Committee
Muskwa-Kechika Advisory Board
Mediation and Arbitration Board
Assayers Certification Board of Examiners